

AMENDED IN ASSEMBLY APRIL 13, 1999

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 990

Introduced by Assembly Member Floyd

February 25, 1999

An act to amend Section 37101 of the Government Code, relating to cities.

LEGISLATIVE COUNSEL'S DIGEST

AB 990, as amended, Floyd. Cities.

Existing law authorizes the legislative body of a city to license, for revenue and regulation, and fix the license tax upon, every kind of lawful business transacted in the city.

~~This bill would make a technical, nonsubstantive change in this provision.~~

This bill would authorize a legislative body that imposes a sales or use tax, as specified, to require a city seller's permit for each place of business located within a city and would require that every person who is engaged in business as a seller within that city file an application on a prescribed form, as specified, and pay a fee of not less than \$50 for the issuance of the permit.

The bill would also require the legislative body to report, quarterly, the applicant's identifying information to the State Board of Equalization and would require that the city seller's permit be valid for one year or until replaced by a seller's permit issued by the board.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 37101 of the Government Code
2 is amended to read:

3 37101. (a) The legislative body of any city may
4 license, for revenue and regulation, and fix the license tax
5 upon, every kind of lawful business transacted in the city,
6 including shows, exhibitions, and games. It may provide
7 for collection of the license tax by suit or otherwise. If the
8 legislative body levies a sales tax under the authority of
9 this section, it may impose a complementary tax at the
10 same rate upon use or other consumption of tangible
11 personal property.

12 ~~If the legislative body imposes a sales or use tax, it shall~~
13 ~~do so in the same manner and use the same tax base as~~
14 ~~prescribed in Part 1.5 (commencing with Section 7200)~~
15 ~~of Division 2 of the Revenue and Taxation Code.~~

16 (b) Any legislative body, including the legislative body
17 of a charter city, that levies a license tax pursuant to
18 subdivision (a) upon a business operating both within and
19 outside the legislative body's taxing jurisdiction, shall levy
20 the tax so that the measure of tax fairly reflects that
21 proportion of the taxed activity actually carried on within
22 the taxing jurisdiction.

23 (c) No license tax levied pursuant to subdivision (a)
24 that is measured by the licensee's income or gross
25 receipts, whether levied by a charter or general law city,
26 shall apply to any nonprofit organization that is exempted
27 from taxes by Chapter 4 (commencing with Section
28 23701) of Part 11 of Division 2 of the Revenue and
29 Taxation Code or Subchapter F (commencing with
30 Section 501) of Chapter 1 of Subtitle A of the Internal
31 Revenue Code of 1986, or the successor of either, or to any
32 minister, clergyman, Christian Science practitioner,
33 rabbi, or priest of any religious organization that has been
34 granted an exemption from federal income tax by the
35 United States Commissioner of Internal Revenue as an
36 organization described in Section 501(c)(3) of the
37 Internal Revenue Code or a successor to that section.

1 (d) Notwithstanding Article 2 (commencing with
2 Section 6066) of Part 1 of Division 2 of the Revenue and
3 Taxation Code, any legislative body that imposes a sales
4 or use tax pursuant to Part 1.5 (commencing with Section
5 7200) of Division 2 of the Revenue and Taxation Code
6 may require that every person who is engaged in business
7 as a seller within the city and has not applied for a permit
8 pursuant to Section 6066 of the Revenue and Taxation
9 Code shall apply for a city seller's permit for each place
10 of business located within that city.

11 (e) Every application for a city seller's permit shall be
12 made upon a form prescribed by the legislative body, and
13 shall set forth the name under which the applicant
14 transacts business, the location of the place or places of
15 business, and any other information that the legislative
16 body may require. The application shall be signed by the
17 owner or the owner's authorized representative. Any
18 person signing an application for a city seller's permit
19 shall certify that the applicant actively engages in or
20 conducts a business as a seller of tangible personal
21 property.

22 (f) Any person required by a city to file an application
23 for a permit shall pay to that city a fee of not less than fifty
24 dollars (\$50) as determined by the legislative body for the
25 issuance of the permit.

26 (g) The legislative body shall report, quarterly, an
27 applicant's identifying information and any changes for
28 each city seller's permit to the State Board of
29 Equalization. A city seller's permit shall be valid for one
30 year or until replaced by a seller's permit issued by the
31 State Board of Equalization pursuant to Section 6066 of
32 the Revenue and Taxation Code.

33 (h) If the legislative body imposes a sales or use tax, it
34 shall do so in the same manner and use the same tax base
35 as prescribed in Part 1.5 (commencing with Section 7200)
36 of Division 2 of the Revenue and Taxation Code.